

SITUATION IN IRAN

- I. Political situation generally stable;
nevertheless,
- II. Shah may appoint new prime minister in
spring.
 - A. Shah keeping tight grip on government
even during US trip. Distrusts Zahedi,
often saying would like to remove him.
 - B. Zahedi has not won popular support due
failure to push reforms; widespread
corruption in his government.
- III. Shah's next premier possibly Manucher Eqbal
 - A. Senator Eqbal just "elected" chancellor
of Tehran University--result of Shah's
direct intervention.
 - B. Eqbal can thus catch public eye by anti-
Communist campaign at Tudeh-infested
university.
- IV. Under Eqbal or any Shah-dominated prime
minister, Iran would continue pro-West.